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FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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QUARTERLY REPORT UNDER SECTION 13 or 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

RECEIVED
1992

For the quarter ended March 31, 1992 Commission file number 2-99779

MG2-2235

National Cooperative Bank

National Consumer Cooperative Bank
(Exact name of registrant as specified in its charter)

United States of America (12 U.S.C. Section 3001 et seq.) (State or other jurisdiction of incorporation or organization)	52-1157795 (I.R.S. Employer Identification No.)

1401 Eye St., NW, Suite 700, Washington, D.C. 20005
(Address of principal executive offices)

Registrant's telephone number, including area code (202)336-7700

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes x No .

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

	Outstanding at March 31, 1992
Class C (Common stock, $100.00 par value)	212,014
Class B (Common stock, $100.00 par value)	612,637
Class D (Common stock, $100.00 par value)	1

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National Consumer Cooperative Bank
(doing business as National Cooperative Bank)
and Subsidiaries

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PART II OTHER INFORMATION

No applicable items

NATIONAL COOPERATIVE BANK
CONSOLIDATED BALANCE SHEETS
March 31, 1992 and December 31, 1991

Assets	1992	1991
Cash and cash equivalents	$ 36,375,373	$ 35,766,854
Trading account securities, at market	22,409,557	23,755,131
Loans and lease financing	415,795,824	410,320,123
Loans held for sale	44,558,278	41,828,667
Less: Allowance for possible credit losses	(9,348,326)	(8,706,011)
	451,005,776	443,442,779
Premises and equipment, net of accumulated depreciation of $3,967,346 in 1992 and $3,443,178 in 1991	1,559,198	1,660,549
Accrued interest receivable	3,161,052	3,217,742
Other assets	9,791,287	9,332,202
Total assets	$524,302,243	$517,175,257
Liabilities and Members' Equity		
Liabilities		
Interest-bearing liabilities		
Deposits	$ 41,498,482	$ 41,177,810
Short-term borrowings	78,059,567	74,061,796
Long-term debt		
Current	7,000,000	
Non-current	90,146,715	97,162,607
Other borrowings	5,313,166	5,526,895
Subordinated Class A notes	183,325,288	184,747,617
	405,343,218	402,676,725
Accounts payable	431,422	1,070,362
Accrued interest payable	9,239,072	4,361,814
Other accrued expenses	1,491,052	2,367,170
Deferred income	623,392	863,338
Patronage dividends payable in cash	3,377,539	2,667,879
Total liabilities	420,505,695	414,007,288
Members' Equity		
Common stock		
Class B	61,263,701	61,106,271
Class C	21,201,424	21,201,324
Class D	300	300
Retained earnings		
Allocated	6,402,220	5,534,858
Unallocated	14,928,903	15,325,216
Total members' equity	103,796,548	103,167,969
Total liabilities and members' equity	$524,302,243	$517,175,257

The accompanying condensed notes are an integral part of these financial statements.

NATIONAL COOPERATIVE BANK

CONSOLIDATED STATEMENTS OF INCOME

For the Three Months Ended March 31, 1992 and 1991

	1992	1991
Interest income		
Loans and lease financing	$10,388,696	$11,267,646
Investment and trading account securities	716,127	941,143
Total interest earned	11,104,823	12,208,789
Interest expense	6,077,147	7,299,322
Net interest income	5,027,676	4,909,467
Provision for possible credit losses	661,545	767,157
Net interest income after provision for possible credit losses	4,366,131	4,142,310
Non-interest income	997,626	753,685
Net revenue	5,363,757	4,895,995
Non-interest expenses		
Salaries and employee benefits	2,008,056	1,716,976
Contractual services	798,002	423,452
Occupancy and equipment expenses	780,471	735,196
Contribution to NCB Development Corporation	131,535	149,882
Other expenses	370,028	430,629
Total non-interest expenses	4,088,092	3,456,135
Income before income taxes	1,275,665	1,439,860
Provision for income taxes	94,353	90,920
Net income	$ 1,181,312	$ 1,348,940
Distribution of net income		
Patronage dividends	$ 1,577,022	$ 1,051,188
Retained earnings	(395,710)	297,752
	$ 1,181,312	$ 1,348,940

The accompanying condensed notes are an integral part of these financial statements.

NATIONAL COOPERATIVE BANK

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Three Months Ended March 31, 1992 and 1991

	1992	1991
Cash flows from operating activities		
Interest received	$11,207,121	$12,210,757
Commitment charges and other fees received	171,948	350,855
Proceeds from sales of loans	20,802,795	23,663,221
Loans originated for sales	(24,339,134)	(28,770,472)
Gain (loss) on hedge of loans held for sale	11,910	(193,868)
Decrease in trading account securities, net	1,002,523	
Interest paid	(1,210,053)	(3,560,284)
Cash paid to suppliers and employees	(5,938,089)	(5,694,247)
Net cash provided by (used in) operating activities	1,709,021	(1,994,038)
Cash flows from investing activities		
Proceeds from sales of investment securities		16,935,790
Proceeds from maturities of investment securities		3,000,000
Purchase of investment securities		(17,930,838)
Net (increase) decrease in loans and lease financing	(3,819,621)	16,751,083
Capital expenditures	(115,068)	(146,317)
Net cash (used in) provided by investing activities	(3,934,689)	18,609,718
Cash flows from financing activities		
Net increase in deposits	321,557	2,523,288
Net increase (decrease) in short-term borrowings	3,981,879	(50,207)
Repayment on long-term debt		(6,250,000)
Repayment on subordinated Class A notes	(1,413,050)	
Repayment on other borrowings	(213,729)	(923,412)
Proceeds from issuance of common stock	260,430	272,135
Redemption of common stock	(102,900)	(31,660)
Net cash provided by (used in) financing activities	2,834,187	(4,459,856)
Increase in cash and cash equivalents	608,519	12,155,824
Cash and cash equivalents, beginning of year	35,766,854	20,374,405
Cash and cash equivalents, end of period	$36,375,373	$32,530,229

The accompanying condensed notes are an integral part of these financial statements.

NATIONAL COOPERATIVE BANK

RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES

For the Three Months Ended March 31, 1992 and 1991

	1992	1991
Net income	$1,181,312	$ 1,348,940
Adjustments to reconcile net income to net cash (used in) provided by operating activities		
Decrease in accrued interest receivable	56,690	107,007
Net trading account activity	1,002,523	
Increase in loans held for resale	(3,536,339)	(5,107,251)
(Increase) decrease in other assets, net of real estate owned	(487,330)	619,842
Decrease in accounts payable and other accrued expenses	(1,515,058)	(2,961,562)
Increase in accrued interest payable	4,877,258	3,748,887
(Decrease) increase in deferred income	(239,946)	184,626
Provision for possible credit losses	661,545	767,157
Depreciation and amortization, net	246,216	206,147
Gain on sale of assets, net	(594,771)	(587,456)
Gain (loss) on hedge of loans held for sale	11,910	(193,868)
Other, net	45,011	(126,507)
Net cash provided by (used in) operating activities	$1,709,021	$(1,994,038)

The accompanying condensed notes are an integral part of these financial statements.

NATIONAL COOPERATIVE BANK

Condensed Notes to the Consolidated
Financial Statements
March 31, 1992
(Unaudited)

The accompanying financial statements have been prepared without audit and reflect all adjustments (consisting only of normal recurring adjustments) which were, in the opinion of NCB, necessary to a fair statement of the results of the interim period presented. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted. Accordingly, these condensed financial statements should be read in conjunction with the financial statements and the notes thereto included in NCB's most current annual report.

1. Cash, Cash Equivalents and Trading Account Securities

As of March 31, 1992, NCB's portfolio of trading account securities, cash and cash equivalents had an average adjusted maturity of 348 days with interest rates in those portfolios varying from 3.25% to 9.0%.

	March 31, 1992	
	Cash and Cash Equivalents	Trading Account Securities
Cash	$ 1,721,502	
Corporate bonds		$12,991,840
Federal funds	22,600,000	
Money market securities and commercial paper	6,466,112	
Eurodollar certificates and repurchase agreements	5,587,759	
US Treasury and agency obligations		9,417,717
	$36,375,373	$22,409,557

At March 31, 1992, the trading account securities portfolio was recorded at aggregate market value.

2. Loans, Lease Financing and Non-performing Assets

Loans and leases outstanding by category at March 31, 1992 were:

Commercial loans	$220,826,753
Lease financing	7,492,592
Real estate loans	
Construction	5,588,725
Residential	215,066,365
Commercial	11,379,667
	$460,354,102

At March 31, 1992 and December 31, 1991 real estate loans held for sale were $44.6 million and $41.8 million, respectively. The loan portfolio includes loans which were not currently accruing any interest. The total outstanding principal of these loans at March 31, 1992 and the effect on income for the three months ended March 31, 1992 is shown below:

Principal outstanding	$4,387,998
Gross amount of income which would have been recorded under original terms	$ 124,465
Less interest received	1,001
Interest not recorded	$ 123,464

The loan portfolio includes loans that are renegotiated with a reduced interest rate or with an extension of payment of interest and principal. The total outstanding principal of these loans at March 31, 1992 and the effect on income for the three months ended March 31, 1992 is shown below:

Principal outstanding	$2,454,834
Gross amount of income which would have been recorded under original terms	$ 80,366
Less interest received	45,035
Interest not recorded	$ 35,331

3. Allowance for Possible Credit Losses

The following is a transaction summary of the allowance for possible credit losses during the three months ended March 31, 1992:

Balance at December 31, 1991	$8,706,011
Provision for possible credit losses	661,545
Charge-offs	(28,269)
Recoveries of loans previously charged off	9,039
Balance at March 31, 1992	$9,348,326

The allowance for possible credit losses as a percentage of loans outstanding at March 31, 1992 was 2.0%.

NATIONAL COOPERATIVE BANK
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED MARCH 31, 1992 AND 1991

SUMMARY

NCB's net income for the three months ended March 31, 1992 was $1.2 million. This was a 12.4% or $167,628 decrease over the three months ended March 31, 1991. The decrease primarily resulted from an increase in non-interest expenses of $631,957 offset by increases in non-interest income of $243,941 and net interest income of $118,209. For the period, NCB recorded unrealized losses on its trading account portfolio of $.4 million. There was no such unrealized losses required to be recorded in the first quarter of 1991.

Total assets increased by $7.1 million or 1.4% to $524.3 million at March 31, 1992 from $517.2 million at December 31, 1991. The increase resulted from an $8.2 million increase in loan and leases outstanding which was offset primarily by a $.7 million decline in cash and cash equivalents. Loans and leases outstanding at March 31, 1992 increased 1.8% to $460.3 million from $452.1 million at December 31, 1991.

NET INTEREST INCOME

Net interest income increased $0.1 million to $5.0 million from the same period the prior year. As shown on Table 1, the net yield on interest earning assets decreased to 3.95% from 4.04% as the growth in net interest earning assets outpaced growth in net interest income. As shown on Table 2, the impact of changes in interest rates on net interest income was mitigated by closely matching interest rate sensitivities of earning assets and liabilities.

Interest income decreased $1.1 million to $11.1 million for the three months ended March 31, 1992. Average rates on interest-earning assets decreased to 8.73% from 10.06% due to declining market rates. Declining average rates accounted for a $1.7 million negative variance partially offset by positive volume variance of $.6 million.

Interest expense decreased $1.2 million to $6.1 million for the three months ended March 31, 1992. Average rates on interest-bearing liabilities decreased to 6.08% from 7.72%. NCB was able to take advantage of declining interest rates because of its swap positions. The swap benefit for the three month period was $978,898.

Table 1
Rate Related Assets and Liabilities
(in thousands)

	Three Months Ended March 31,					
	1992			1991		
ASSETS	Average Balance	Income/ Expense	Yields/ Rates	Average Balance	Income/ Expense	Yields/ Rates
Interest-earning assets						
Real estate loans	$222,755	$ 5,436	9.76%	$186,208	$ 4,992	10.72%
Commercial loans & leases	232,898	4,953	8.51%	249,164	6,275	10.07%
Total loans and leases	455,653	10,389	9.12%	435,372	11,267	10.35%
Trading & investment securities and cash equivalents	53,381	716	5.37%	50,147	941	7.51%
Total interest-earning assets	509,034	11,105	8.73%	485,519	12,208	10.06%
Allowance for possible credit loss	(8,989)			(8,116)		
Non-interest earning assets						
Cash	2,018			1,622		
Other assets	14,846			13,027		
Total non-interest earning assets	16,864			14,649		
Total assets	$516,909			$492,052		
LIABILITIES AND MEMBERS' EQUITY						
Interest-bearing liabilities						
Subordinated Class A notes	$183,683	2,845	6.20%	$184,779	3,505	7.59%
Notes payable	174,660	2,690	6.16%	156,947	3,143	8.01%
Deposits	41,172	542	5.27%	36,697	651	7.10%
Total interest-bearing liabilities	399,515	6,077	6.08%	378,423	7,299	7.72%
Other liabilities	13,718			13,821		
Members' equity	103,676			99,808		
Total liabilities & members' equity	$519,909			$492,052		
Net interest revenue		$ 5,028			$ 4,909	
Net interest spread			2.64%			2.34%
Net yield on interest-earning assets			3.95%			4.04%

Table 2
Changes in Net Interest Income
(in thousands)

	March 31, 1992 compared to March 31,1991 Increase (decrease) due to changes in:		
	Average Volume	Average Yield	Net
Interest income			
Cash equivalents and investment securities	$ 58	$ (282)	$(224)
Commercial loans and leases	(391)	(932)	(1,323)
Real estate loans	919	(476)	443
Total interest income	586	(1,690)	(1,104)
Interest expense			
Deposits	73	(182)	(109)
Notes payable	350	(802)	(452)
Subordinated Class A notes	(21)	(640)	(661)
Total interest expense	402	(1,624)	(1,222)
Net interest income	$ 184	$(66)	$ 118

NON-INTEREST INCOME

Non-interest income increased 32.4% to $1.0 million for the three months ended March 31,1992 from $0.8 million for the three months ended March 31, 1991. Gains from the sales of loans resulted in an increase of $.4 million from the prior year. Non-interest income was impacted by collections on real estate owned (REO) by NCB. This resulted in an additional increase of $0.1 million for the year thus far. Net realized and unrealized losses on the trading account portfolio of $.3 million partially offset the other increases in non-interest income.

NON-INTEREST EXPENSES

Non-interest expenses for the three months ended March 31, 1992, increased 18.3% to $4.1 million from $3.5 million as of March 31, 1991. Non-interest expenses as a percentage of average assets increased to 3.2% at March 31, 1992 from 2.8% at March 31, 1991.

Salaries and benefits increased 17.0% to $2.0 million for the three months ended March 31, 1992 from $1.7 million as of March 31, 1991. This was due primarily to commission expenses resulting from higher real estate originations and a fee based incentive program for lending groups in the first quarter. Merit increases accounted for the remaining increase in salaries and benefits.

Contractual services increased 79% to $ .7 million for the three months ended March 31, 1992 from $ .4 million as of March 31, 1991. This was largely attributable to an increase in legal and loan work-out fees during the three month period. For the period, legal and loan work-out fees increased by $0.2 million. Loan work-out fees increased due to on-going expenses related to problem loans.

LOANS AND LEASE PORTFOLIO

Consolidated Loans and Leases Outstanding (millions)

	3/31/92	12/31/91	% Change
Commercial	$220.8	$222.8	-0.9%
Real estate	232.0	221.3	4.8
Leases	7.5	8.0	-7.0
Total:	$460.3	$452.1	1.8%

Total loans and leases outstanding at March 31, 1992, was $460.3 million, up 1.8% from $452.1 million at December 31, 1991. Real estate loans increased by $10.7 million or 4.8% from year-end due to strong loan originations achieved in the first three months somewhat countered by loan sale activity. The growth in the real estate portfolio was a direct result of a planned $75 million sale

to investors. The three-month secondary marketing activity totaled $21 million in loan sales as of March 31, 1992 which primarily represents a $17.9 million transaction in which pooled loans were sold to a third party at the end of January, 1992. Commercial loans and leases decreased by almost $2 million or .9% from year-end.

CASH, CASH EQUIVALENTS AND TRADING ACCOUNT SECURITIES

Cash, cash equivalents and trading account securities decreased 1.2% to $58.8 million at March 31, 1992 from $59.5 million at year-end 1991. NCB used the proceeds available from the portfolio liquidation to fund loan originations. As a percentage of earning assets, cash, cash equivalents, and investment securities, decreased slightly to 11.3% from 11.6% at December 31, 1991. As previously reported, NCB transferred its investment securities to a trading account securities portfolio in mid- 1991.

ALLOWANCE FOR POSSIBLE CREDIT LOSSES

The allowance for possible credit losses at March 31, 1992 increased 7.4% to $9.3 million from $8.7 million at December 31, 1991. The allowance was impacted primarily by the $0.7 million loan loss provision taken during the first three months of the year. The provision for possible credit losses decreased to $.7 million for the three months ended March 31, 1992 from $.8 million for the three months ended March 31, 1991. NCB's provision for possible credit losses to average loans and leases outstanding has decreased to .6% in 1992 from .7% in 1991.

The allowance as a percentage of loans outstanding at March 31, 1992 increased from 1.91% and 1.93% at March 31, 1991 and December 31, 1991, respectively to 2.0% at March 31, 1992. This is consistent with management's strategy of building reserves. Only $28,000 was charged-off during first quarter.

As shown in Table 3, total nonperforming assets (renegotiated and non-accruing assets, REO, and in- substance foreclosures) decreased 4.6% to $11.1 million at March 31, 1992. Nonperforming assets as a percentage of loans and leases outstanding plus REO and in-substance foreclosures decreased to 2.4% at March 31, 1992 from 2.6% at March 31, 1992. The decrease was due primarily to work-out of two commercial loan credits. Non-accrual loans consist of loans that have delinquent payments of ninety days and loans that have significant deterioration of credit quality. Of the $4.4 million in non-accrual loans, $4.2 million are current with their principal and interest payments.

Table 3
Nonperforming assets
(in thousands)

	Mar. 31, 1992	Dec 31, 1991	Sept. 30, 1991	June 30, 1991	March 31, 1991
Nonaccrual loans					
Commercial	$ 555	$ 894	$ 747	$ 959	$ 2,474
Real estate- construction	0	0	0	0	0
Real estate- commercial	0	0	0	0	0
Real estate- residential	3,833	3,994	6,907	3,429	2,554
Total nonaccrual loans	4,388	4,888	7,654	4,388	5,028
Restructured loans	2,455	2,491	918	1,283	1,292
Total nonperforming loans	6,843	7,379	8,572	5,671	6,320
Real estate acquired through foreclosure and insubstance foreclosure	4,297	4,297	4,297	4,325	4,367
Total nonperforming assets	$11,140	$11,676	$12,869	$9,996	$10,687

INTEREST BEARING LIABILITIES

Interest Bearing Liabilities (millions)	03/31/92	12/31/91	% Change
Class A notes	$183.33	$184.75	-0.8%
Short-term	78.06	74.06	5.1
Deposits	41.50	41.18	0.8
Non-current term debt	97.14	97.16	-0.1
Current term debt	0.00	0.00	n/a
Other borrowings	5.31	5.53	-3.9
Totals	$405.34	$402.68	0.7%

Interest bearing liabilities increased by $2.6 million to $405.3 million at March 31, 1992. The reduction of the principal balance on the subordinated Class A notes was wholly offset by increased usage on the line of credit. The outstanding balance on Class A notes was reduced from $184.75 million at December 31, 1991 to $183.33 million at March 31, 1992 as NCB applied proceeds received from the sale of Class B stock to redeem Class A notes.

During the month of March, 1992, NCB increased the outstanding balance on its bank line of credit by $4 million in order to support loan growth. Unused capacity under the line of credit (approximately $62 million) is sufficient to meet anticipated commitments.

NCB maintained the same year-end balance on its term debt, $97 million, during the first three months of the year. During the second quarter of 1992, NCB has placed an additional $50 million of intermediate term debt with various private investors. These placements are used to lessen NCB's reliance on short-term funding and to diversify its capital structure.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

NATIONAL CONSUMER COOPERATIVE BANK

Date: 5/14/92

By: _____
(Charles H. Hackman,
Chief Financial Officer)

_____
(Marietta J. Orcino, Controller)